Growth of food industry

3022. SHRI B.J. PANDA:
MS. PRAMILA BOHIDAR:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the food industry is expected to grow at 8-8.5 per cent as per a study conducted by the industry;

(b) if so, the details thereof;

(c) the details of the policy packages announced by Government to give a further boost to this industry; and

(d) what is the position of Orissa in this sector and the action plan of the Centre to help the State to improve the prospects of this industry in the rural areas of the State?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) As per the report of M/s Rabo India Finance Private Limited, processed food industry in India should aim to grow at about 10% per annum between 2005—2015.

(c) In order to give boost to growth of FPI sector the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16% on dairy machinery has been fully waived for promotion of dairy processing industries. In the Budget of 2005-06 excise duty of Rs. 1.00 per kg. on refined edible oil and Rs. 1.25 per kg. on vanaspati was abolished. Customs duty on refrigerated vans was reduced from 20% to 10%. In the Budget 2006-07 the Government has waived excise duty on condensed milk, ice cream, preparations of meat, fish and poultry, pectins, pasta and yeast. Excise duty on ready-to-eat packaged foods and instant food mixes, like dosa and idli mixes has been reduced from 16 per cent to 8 per cent. Excise duty on aerated drinks has been reduced from 24 per cent to 16 per cent. Food processing to be priority sector for bank credit; NABARD to create a refinancing window with a corpus of Rs. 1000 crore for agro processing infrastructure and market development.

(d) The Government has already formulated Plan Schemes for providing financial assistance to food processing sector which are project specific

not State/area specific. It covers all segments *viz* fruits and vegetables, milk products, bakery and confectionary products, meat, poultry, fishery, oil seeds, spices, coconut and mushroom. Under the Scheme financial assistance is provided @ 25% of the project cost in general areas and @ 33.33% in difficult areas subject to a maximum of Rs. 50 lakh and Rs. 75 lakh respectively. Funds released for the State of Orissa during the last three years is Rs. 117.25 lakhs under various Plan Schemes of the Ministry.

Capacity of sea-food processing industry

3023. SHRI T.T.V. DHINAKARAN: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that sea-food processing industry in the country is utilizing only around 20 per cent of its capacity;

(b) if so, the reasons therefor;

(c) the steps taken by Government for reaching full-capacity utilization with specific reference to availability of new material; and

(d) whether Government will consider to review its policy on sea-food industry to provide impetus to this industry?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY):(a) to (d) The see-food processing industry in the country is utilizing only about 20 per cent of the annual installed capacity primarily due to shortage of raw material and increase in domestic demand of fish which is growing at an annual rate of 2.4 per cent. However, the utilization goes up in peak seasons.

Government have taken various measures to improve the availability of raw material for better capacity utilization and consequent growth of sea-food processing industry, which include *inter alia* the following:—

(i) Development of deep sea fishing for harvesting under exploited resources such as tuna, cephalopods and Pelagic finfish.

(ii) Increase of production by processing aquaculture of fresh water and blackish water through Fish Farmers Development Agencies which includes development of new farms, renovation of existing farms, farming inputs etc.

(iii) Promotional activities and financial schemes for the farmers for sustainable shrimp/scampi culture in India.